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7
8 UNITED STATES DISTRICT COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 OAKLAND DIVISION
11

12 SECURITIES AND EXCHANGE COMMISSION,
13 Plaintiff,

14 v.

15 THE CHILDREN'S INTERNET, NASSER V.
HAMEDANI, SHOLEH A. HAMEDANI, PETER
16 A. PEREZ, CORT L. POYNER and TWO DOG
NET, INC.,
17

18 Defendants.

Case No. C-06-6003-CW

CONSENT OF DEFENDANT NASSER V.
HAMEDANI TO ENTRY OF FINAL
JUDGMENT OF PERMANENT INJUNCTION
AND OTHER RELIEF AND FOR A
BIFURCATION OF PROCEEDINGS

19
20 1. Defendant Nasser V. Hamedani acknowledges service upon him of the Summons and
21 the Complaint in this action, entered a general appearance, and admits the jurisdiction of this Court
22 over Defendant and over the subject matter of this action.

23 2. Without admitting or denying the allegations of the complaint (except as to personal
24 and subject matter jurisdiction, which Defendant admits), Defendant hereby consents to the entry of
25 the final Judgment in the form attached hereto (the "Final Judgment") and incorporated by reference
26 herein, which, among other things permanently restrains and enjoins Defendant from violation of
27 Sections 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§ 78j(b) and
28 78o(a)] and Rule 10b-5 [17 C.F.R. §§ 240.10b-5] thereunder, and from violation of Sections 5(a),

1 5(c) and 17(a) of the Securities Act of 1933 ("Securities Act") [15. U.S.C. §§ 77e(a), 77e(c) and
2 77q(a)].

3 3. Defendant agrees that the Court shall determine whether to order disgorgement of ill-
4 gotten gains, with prejudgment interest, a civil penalty pursuant to Section 20(d) of the Securities Act
5 [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)], a permanent
6 prohibition from serving as an officer or director of any issuer of a security registered pursuant to
7 Section 12 or 15(d) of the Exchange Act [15 U.S.C. § 78u(d)(2), 15 U.S.C. § 78l, 15 U.S.C. §
8 78o(d)], and a permanent prohibition from participating in an offering of penny stock, including
9 engaging in activities with a broker, dealer, or issuer for purposes of issuing, trading, or inducing or
10 attempting to induce the purchase or sale of any penny stock [17 C.F.R. 240.3a51-1]. Defendant
11 further agrees that the amounts of the disgorgement and civil penalty and the imposition of an officer
12 and director and penny stock prohibition shall be determined by the Court upon motion of the
13 Commission. Defendant further agrees that in connection with the Commission's motion for
14 disgorgement, civil penalties, an officer and director prohibition and a penny stock prohibition, and at
15 any hearing held on such a motion: (a) Defendant will be precluded from arguing that he did not
16 violate the federal securities laws as alleged in the Complaint; (b) Defendant may not challenge the
17 validity of this Consent or the Final Judgment; (c) solely for the purposes of such motion, the
18 allegations of the Complaint shall be accepted as and deemed true by the Court; and (d) the Court
19 may determine the issues raised in the motion on the basis of affidavits, declarations, excerpts of
20 sworn deposition or investigative testimony, and documentary evidence, without regard to the
21 standards for summary judgment contained in Rule 56(c) of the Federal Rules of Civil Procedure.

22 4. Defendant waives the entry of findings of fact and conclusions of law pursuant to Rule
23 52 of the Federal Rules of Civil Procedure.

24 5. Defendant waives the right, if any, to a jury trial and to appeal from the entry of the
25 Final Judgment.

26 6. Defendant enters into this Consent voluntarily and represents that no threats, offers,
27 promises, or inducements of any kind have been made by the Commission or any member, officer,
28 employee, agent, or representative of the Commission to induce Defendant to enter into this Consent.

1 7. Defendant agrees that this Consent shall be incorporated into the Final Judgment with
2 the same force and effect as if fully set forth therein.

3 8. Defendant will not oppose the enforcement of the Final Judgment on the ground, if
4 any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby
5 waives any objection based thereon.

6 9. Defendant waives service of the Final Judgment and agrees that entry of the Final
7 Judgment by the Court and filing with the Clerk of the Court will constitute notice to Defendant of its
8 terms and conditions. Defendant further agrees to provide counsel for the Commission, within thirty
9 days after the Final Judgment is filed with the Clerk of the Court, with an affidavit or declaration
10 stating that Defendant has received and read a copy of the Final Judgment.

11 10. Consistent with 17 C.F.R. § 202.5(f), this Consent resolves only the claims asserted
12 against Defendant in this civil proceeding. Defendant acknowledges that no promise or
13 representation has been made by the Commission or any member, officer, employee, agent, or
14 representative of the Commission with regard to any criminal liability that may have arisen or may
15 arise from the facts underlying this action or immunity from any such criminal liability. Defendant
16 waives any claim of Double Jeopardy based upon the settlement of this proceeding, including the
17 imposition of any remedy or civil penalty herein. Defendant further acknowledges that the Court's
18 entry of a permanent injunction may have collateral consequences under federal or state law and the
19 rules and regulations of self-regulatory organizations, licensing boards, and other regulatory
20 organizations. Such collateral consequences include, but are not limited to, a statutory
21 disqualification with respect to membership or participation in, or association with a member of, a
22 self-regulatory organization. This statutory disqualification has consequences that are separate from
23 any sanction imposed in an administrative proceeding. In addition, in any disciplinary proceeding
24 before the Commission based on the entry of the injunction in this action, Defendant understands that
25 he shall not be permitted to contest the factual allegations of the complaint in this action.

26 11. Defendant understands and agrees to comply with the Commission's policy "not to
27 permit a defendant or respondent to consent to a judgment or order that imposes a sanction while
28 denying the allegation in the complaint or order for proceedings." 17 C.F.R. § 202.5. In compliance

1 with this policy, Defendant agrees: (i) not to take any action or to make or permit to be made any
2 public statement denying, directly or indirectly, any allegation in the complaint or creating the
3 impression that the complaint is without factual basis; and (ii) that upon the filing of this Consent,
4 Defendant hereby withdraws any papers filed in this action to the extent that they deny any allegation
5 in the complaint. If Defendant breaches this agreement, the Commission may petition the Court to
6 vacate the Final Judgment and restore this action to its active docket. Nothing in this paragraph
7 affects Defendant's: (i) testimonial obligations; or (ii) right to take legal or factual positions in
8 litigation or other legal proceedings in which the Commission is not a party.

9 12. Defendant hereby waives any rights under the Equal Access to Justice Act, the Small
10 Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to seek from
11 the United States, or any agency, or any official of the United States acting in his or her official
12 capacity, directly or indirectly, reimbursement of attorney's fees or other fees, expenses, or costs
13 expended by Defendant to defend against this action. For these purposes, Defendant agrees that
14 Defendant is not the prevailing party in this action since the parties have reached a good faith
15 settlement.

16 13. In connection with this action and any related judicial or administrative proceeding or
17 investigation commenced by the Commission or to which the Commission is a party, Defendant
18 (i) agrees to appear and be interviewed by Commission staff at such times and places as the staff
19 requests upon reasonable notice; (ii) will accept service by mail or facsimile transmission of notices
20 or subpoenas issued by any party for documents or testimony at depositions, hearings, or trials, or in
21 connection with any related investigation by Commission staff; (iii) appoints Defendant's undersigned
22 attorney as agent to receive service of such notices and subpoenas; (iv) with respect to such notices
23 and subpoenas, waives the territorial limits on service contained in Rule 45 of the Federal Rules of
24 Civil Procedure and any applicable local rules, provided that the party requesting the testimony
25 reimburses Defendant's travel, lodging, and subsistence expenses at the then-prevailing U.S.
26 Government per diem rates; and (v) consents to personal jurisdiction over Defendant in any United
27 States District Court for purposes of enforcing any such subpoena.

14. Defendant agrees that the Commission may present the Final Judgment to the Court for signature and entry without further notice.

15. Defendant agrees that this Court shall retain jurisdiction over this matter for the purpose of enforcing the terms of the Final Judgment.

Dated: 3/17/, 2008

Nasser V. Hamedani
Nasser V. Hamedani

State of California

County of Alameda

On 3-17, 2008 before me, Ellen Solorzano, personally appeared
Nasser V. Hamedani

who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity~~(ies)~~, and that by his/~~her/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Ellen Solorzano (Seal)

Approved as to form:

Kevin R. Martin

Kevin R. Martin
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Attorneys for Defendant
NASSER V. HAMEDANI

